

BAKERSFIELD CITY SCHOOL DISTRICT

Audit Report

NOTIFICATION OF TRUANCY PROGRAM

Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994;
Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007

July 1, 2007, through June 30, 2010



JOHN CHIANG
California State Controller

October 2012



JOHN CHIANG
California State Controller

October 25, 2012

Bill McDougale, President
Board of Education
Bakersfield City School District
1300 Baker Street
Bakersfield, CA 93305

Dear Mr. McDougale:

The State Controller's Office audited the costs claimed by the Bakersfield City School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2007, through June 30, 2010.

The district claimed \$533,320 for the mandated program. Our audit disclosed that the entire amount is allowable. The State paid the district \$76,845. The State will pay allowable costs claimed that exceed the amount paid, totaling \$456,475, contingent upon available appropriations.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/vb

cc: Robert J. Arias, Ed.D., Superintendent
Bakersfield City School District
Steve McClain, Chief Business Official, Business Services
Bakersfield City School District
Sherry Gladin, Director, Fiscal Services
Bakersfield City School District
Mary Little, President, Board of Education
Kern County Office of Education
Scott Hannan, Director
School Fiscal Services Division
California Department of Education
Carol Bingham, Director
Fiscal Policy Division
California Department of Education
Thomas Todd, Assistant Program Budget Manager
Education Systems Unit
Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the Bakersfield City School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2007, through June 30, 2010.

The district claimed \$533,320 for the mandated program. Our audit disclosed that the entire amount is allowable. The State paid the district \$76,845. The State will pay allowable costs claimed that exceed the amount paid, totaling \$456,475, contingent upon available appropriations.

Background

Education Code section 48260.5 (added by Chapter 498, Statutes of 1983) originally required school districts, upon a pupil's initial classification as a truant, to notify the pupil's parent or guardian by first-class mail or other reasonable means that: (1) the pupil is truant; (2) parents or guardians are obligated to compel the pupil's attendance at school; (3) parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution; (4) alternative educational programs are available in the district; and (5) they have the right to meet with appropriate school personnel to discuss solutions to the pupil's truancy.

Chapter 1023, Statutes of 1994, amended Education Code section 48260.5 to additionally require school districts to notify the pupil's parent or guardian that (1) the pupil may be subject to prosecution; (2) the pupil may be subject to suspension, restriction, or delay of the pupil's driving privilege; and (3) it is recommended that the parent or guardian accompany the pupil to school and attend classes with the pupil for one day.

Chapter 1023, Statutes of 1994, and Chapter 19, Statutes of 1995, amended Education Code section 48260 and renumbered it to section 48260, subdivision (a), stating that a pupil is truant when he or she is absent from school without valid excuse three full days in one school year or is tardy or absent for more than any 30-minute period during the school day without a valid excuse on three occasions in one school year, or any combination thereof.

On November 29, 1984, the State Board of Control (now the Commission on State Mandates [CSM]) determined that Chapter 498, Statutes of 1983, imposed a state mandate upon school districts reimbursable under Government Code section 17561.

The parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted parameters and guidelines on August 27, 1987. The CSM subsequently amended the parameters and guidelines four times, most recently on May 27, 2010. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and schools districts in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Notification of Truancy Program for the period of July 1, 2007, through June 30, 2010.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review of the district's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

Conclusion

Our audit disclosed an instance of noncompliance with the requirements outlined above. This instance is described in the accompanying Finding and Recommendation section of this report.

For the audit period, the Bakersfield City School District claimed \$533,320 for costs of the Notification of Truancy Program. Our audit disclosed that the claimed costs are allowable. The State paid the district \$76,845. The State will pay allowable costs claimed that exceed the amount paid, totaling \$456,475, contingent upon available appropriations.

Views of Responsible Official

We issued a draft audit report on September 28, 2012. Sherry Gladin, Director, Fiscal Services, responded by letter dated October 10, 2012 (Attachment), agreeing with the audit results. This final audit report includes the district's response.

Restricted Use

This report is solely for the information and use of the Bakersfield City School District, the Kern County Office of Education, the California Department of Education, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

October 25, 2012

Schedule 1— Summary of Program Costs July 1, 2007, through June 30, 2010

Cost Elements	Actual Costs Claimed and Allowable Per Audit
<u>July 1, 2007, through June 30, 2008</u>	
Number of initial truancy notifications	9,804
Uniform cost allowance	× \$ 17.28
Total program costs	\$ 169,413
Less amount paid by the State	(5)
Allowable costs claimed in excess of (less than) amount paid	<u>\$ 169,408</u>
<u>July 1, 2008, through June 30, 2009</u>	
Number of initial truancy notifications	10,019
Uniform cost allowance	× \$ 17.74
Total program costs	\$ 177,737
Less amount paid by the State	(40,273)
Allowable costs claimed in excess of (less than) amount paid	<u>\$ 137,464</u>
<u>July 1, 2009, through June 30, 2010</u>	
Number of initial truancy notifications	10,418
Uniform cost allowance	× \$ 17.87
Total program costs	\$ 186,170
Less amount paid by the State	(36,567)
Allowable costs claimed in excess of (less than) amount paid	<u>\$ 149,603</u>
<u>Summary: July 1, 2007, through June 30, 2010</u>	
Total program costs	\$ 533,320
Less amount paid by the State	(76,845)
Allowable costs claimed in excess of (less than) amount paid	<u>\$ 456,475</u>

Finding and Recommendation

**FINDING—
Noncompliance with
initial truancy
notification distribution
procedures**

The district did not comply with its stated procedures for documenting and distributing initial truancy notifications. There are no unallowable costs associated with this finding.

During audit fieldwork, the district identified its initial truancy notification distribution procedures. The district used an attendance software system to track and summarize student attendance. Individual schools distributed initial truancy notifications to students' parents or guardians. The district stated that schools were required to manually update the attendance software system to identify the initial truancy notification date *before* notifications were actually mailed to the student's parent or guardian.

To support the number of initial truancy notifications claimed, the district provided summary reports from its attendance software system. The summary reports identified those students for whom the district distributed initial truancy notifications. However, the summary reports included notifications for which no distribution date was identified. The following table summarizes the number of undated notifications identified from the attendance software system for each fiscal year:

<u>Fiscal Year</u>	<u>Undated Notifications</u>
2007-08	1,870
2008-09	2,250
2009-10	2,450

We requested that the district provide corroborating documentation to validate that school sites actually distributed the undated notifications to students' parents or guardians. We selected a random sample of 40 undated notifications from FY 2009-10 and asked the district to provide copies of the notifications prepared and distributed. In response, the district provided copies for only 13 of the 40 notifications requested. The district stated that school sites did not provide documentation for 11 notifications. The district stated that it could not retrieve the remaining 16 notifications because the students had left the district and the students' files were forwarded to the students' new districts.

In comments dated May 31, 2012, the district attributed the undated notifications to a "clerical issue." The district stated that it is working with its school sites to correct the issue.

The parameters and guidelines state that districts may claim only actual costs. The parameters and guidelines state, "Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities." The parameters and guidelines also state that the district must "maintain documentation that indicates the total number of initial notifications of truancy distributed."

Recommendation

We recommend that the district ensure that individual school sites update the district's attendance software system by identifying the initial truancy notification date before the notification is mailed to the student's parent or guardian.

District's Response

The district agreed with the audit finding. The district identified various actions that it has taken in response to the audit finding. Please refer to the district's response (Attachment) for further information.

**Attachment—
District's Response to
Draft Audit Report**

BAKERSFIELD CITY SCHOOL DISTRICT

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October 10, 2012

Jim L. Spano, Chief, Mandated Costs Audits Bureau
State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874

Re: Audit of Notification of Truancy Program Mandated Costs Claims

Dear Mr. Spano,

Bakersfield City School District has received the State Controller's Office's draft report for the audit of our mandated cost claims submitted for the Notification of Truancy Program during the period of July 1, 2007 – June 30, 2010.

The District agrees with the findings outlined within the report.

The District wishes to provide the following response for inclusion in the final audit report:

The District has taken the following actions to help staff implement the legislatively mandated Notification of Truancy Program: (1) two professional development sessions were provided for all District schools which included required documentation of truancy notifications; (2) written guidance was provided to all school site principals and site truancy coordinators summarizing the required truancy notification distribution procedures; (3) the District maintains a computer program which automatically generates truancy letters and allows school staff to enter in the dates when truancy letters were mailed and filed; (4) reports can be run from the electronic system showing the students who are truant and whether the notification has been sent; and (5) the immediate supervisor of each principal has been asked to check on the delivery and posting of the truancy program notifications.

The District will continue to provide training and guidance to the school sites on this subject on an annual basis.

If you have any questions, please contact me at (661) 631-4696.

Sincerely,

Sherry Gladin
Director, Fiscal Services

**State Controller's Office
Division of Audits
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<http://www.sco.ca.gov>